

Media Release: 6.7.17

NOT EVERYBODY WANTS A GOAT: Foreign Correspondent

Airs Tuesday July 11 at 9.20pm

Matt Brown reports on a radical cash experiment that challenges our deep-rooted notions of charity – and may hold the seeds of a revolution in social welfare.

Young widow Mercy lives in a mud hut so tiny that her daughters must sleep at their grandpa's place. When it rains and her roofs leaks, she shelters under a table.

Imagine then, Mercy bursting into joyful song and dance when it rains money – enough money to build a modest house with enough space for her and her girls to sleep under the one roof.

I feel like I'm sitting next to God - it's like a dream. Now we will all eat, sleep and wake up as a family
– Mercy Origa

Mercy is part of a vast experiment in rural Kenya that questions the idea that when you give a poor person cash, chances are that they will blow it on grog or smokes or something equally useless. It's a view that underpins the way many of us give; we'd rather see our donations used to dispense rice or dig wells and not dolloped out as cold hard cash to be spent on whatever a recipient wants.

But some aid groups worry that much of the \$100 billion-plus spent annually on foreign aid ends up in a sinkhole of bureaucracy or corruption, and does too little to tackle poverty. So they have begun using cash transfers.

US-based GiveDirectly is taking this to a whole new level – directly channelling cash donations to 26,000 impoverished people in Kenya via mobile phone transfers. It's a 12-year experiment in which some will get monthly payments and others a lump sum. No middlemen involved.

Only I know what I really need and what will benefit me in the future. Not everybody wants a goat – William Owegi, who used some of a \$US1000 transfer to buy musical instruments and set up a band that is now earning money at gigs.

Results are still to come, but on early evidence GiveDirectly claims recipients are spending cash wisely on life-improving goods or investments. They have more motivation to work, the group says, with less stress and domestic violence.

This is huge, this is really big and it's very different from what you've known previously – Caroline Teti, Kenya representative, GiveDirectly

The experiment is even more radical than just giving cash instead of goods and services – it's also trying out a new welfare concept that is being mostly discussed in the context of wealthy Western countries.

In some villages, *everyone* is getting the same amount of cash – regardless of what they already earn. It's called Universal Basic Income, an idea that some First World reformers and Silicon Valley seers believe is key to a future where robots have supplanted workers.

For Mercy though, the future is all about having her family back together, under a roof that doesn't leak.

Not Everybody Wants a Goat – Matt Brown's report on how cash transfers are changing lives – airs on Foreign Correspondent Tuesday July 11 at the earlier than usual time of 9.20 pm, then at 10.30 am Thursday July 13 on ABC TV and 6.30 pm Sunday July 16 on ABC TV News. Also on iview.

ENDS

For more information or interview requests, please contact Safia van der Zwan, Publicity, vanderzwan.safia@abc.net.au / 02 8333 3846